

HUGH L. CAREY BATTERY PARK CITY AUTHORITY
Meeting of the Members
200 Liberty Street, 24th Floor
New York, NY 10281
February 26, 2019

Members Present

George Tsunis, Chairman
Louis Bevilacqua, Member
Donald Capoccia, Member
Martha Gallo, Member
Anthony Kendall, Member
Catherine McVay Hughes, Member
Lester Petracca, Member

Authority Staff in Attendance: Benjamin Jones, President and Chief Executive Officer
Sharmila Baichu, Vice President of Human Resources
Marie Baptiste, Deputy Treasurer
Gwen Dawson, Vice President, Real Property
Abby Ehrlich, Director of Community Partnerships and Engagement
Pamela Frederick, Chief Financial Officer/Treasurer
James Gallagher, Assistant General Counsel
Abigail Goldenberg, General Counsel
Nimisha Haribaran, Executive Assistant/Contract Manager
Craig Hudon, Director of Parks Programming
Susie Kim, Deputy General Counsel
Karl Koenig, Controller
Eric Munson, Vice President of Administration & Strategic Planning
Lauren Murtha, Paralegal/Assistant Corporate Secretary
Jahmeliah Nathan, Vice President of Administration
Robert Nesmith, Chief Contracting Officer
Anthony Peterson, Director of Diversity Programs
Bruno Pomponio, Director of Parks Operations
Jason Rachnowitz, Director of Financial Reporting
Nicholas Sbordone, Director of Communications and Public Affairs
Nicole Stallworth, Associate General Counsel
Markus Szejnberg, Special Counsel for Ethics, Risk and Compliance
Alexis Torres, Chief of Staff
Ryan Torres, Associate Director of Parks Operations
Kenneth Windman, Director of Facilities & Infrastructure Management

Others in Attendance: Timothy Sheehan, CBRE
Marco Spinelli, CBRE
Olivia Moss, HR&A
Carl Weisbrod, HR&A
Cordelia Mendez, Morgan Stanley
Robert Pattison, Morgan Stanley
Geoff Proulx, Morgan Stanley
Various Members of the Public

The meeting, called on public notice in accordance with the New York State Open Meetings Law, convened at 2:09 p.m.

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The first item on the agenda was the approval of the minutes of the January 29, 2019 meeting. Upon a motion made by Mr. Petracca and seconded by Mr. Bevilacqua the following resolution was unanimously adopted:

APPROVAL OF MINUTES OF THE JANUARY 29, 2019 MEETING

BE IT RESOLVED, that the minutes of the meeting of the Members of the Hugh L. Carey Battery Park City Authority held on January 29, 2019 are hereby approved.

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There was no one who presented during the period of public comment.

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Next, Mr. Jones took a moment to honor Lindsey Sutton who passed away last week. Lindsey worked in the Horticulture Department since 1998, and focused her talents on the beautiful gardens in South Cove, which had a special place in her heart. Arrangements are being made for a funeral in Utica, New York and we are working with her family on a memorial service to be held here in South Cove in the spring. Her parents were down here last week and visited and they remain in our thoughts.

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The next item on the agenda was the M/WBE Utilization Report presented by Mr. Peterson.

Mr. Peterson reported that for the month of January, 2019, 45.73% or \$159,378.66 of the Authority's total allowable expenditures of \$348,494.90 was paid to M/WBEs. Of this total amount, \$100,277.58, or approximately 29%, was paid to MBEs, and \$59,101.08, or approximately 17%, was paid to WBEs. 100% of these amounts was paid directly to MWBEs as prime contractors.

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The next item on the agenda was the Resiliency Update presented by Mr. Jones.

Mr. Jones began by briefly updating the Board on the highlights since the last meeting on resiliency. He noted that interagency coordination efforts have continued to be very successful, particularly in regards to South Battery Park City. We had another interagency meeting, including DOT from the City and State, EDC, Parks, MTA, Bridge and Tunnel Authority, and DEP, they're all working very well with us on issues ranging from site access to file sharing and continued surveying and drilling work on the Ball Fields. He also mentioned we're working with STV, who is revising their basis of design report that will inform the next steps at the Ball Fields based on our review and feedback.

In regards to North Battery Park City, he mentioned, the design and engineering phase is now about to begin. There are 8 proposals being reviewed and expect to come to the Board soon with a

decision. All of this, he said, is leading up to a couple of community input sessions that are being put on the calendar for March as part of our continued effort to keep the community up to speed on our resiliency efforts, but to also get their input that will inform the design.

He also mentioned we have continued to reach out to the local elected officials and met with Manhattan Borough President Brewer and Council Member Chin to review the resiliency plans and coastal modeling. They have been very supportive of our efforts and progress and we will also be meeting in the near future with Assembly Member Niou and Glick as well as Senator Kavanagh and members of Community Board 1 in our efforts to continue to keep them apprised.

Mr. Jones then discussed that we've continued researching additional contracting and financing mechanisms to see how we might be able to further accelerate our resiliency efforts, and explained that we've found some interesting models in part from the help of 100 Resilient Cities which is at the Rockefeller Foundation. He said there's no silver bullet but one thing that we've talked about in the past with regards to capital projects that's apparent here is that if we had design build authority that would potentially help facilitate our efforts, but we're continuing to explore and evaluate other potential options as well to see if there are any other steps that we could take to get things moving faster.

* * *

The next item on the agenda, presented by Ms. Frederick, was a presentation on the Bond Financing, presented by Robert Pattison and Geoff Proulx of Morgan Stanley.

Ms. Frederick stated that Morgan Stanley was elected as our senior managing underwriter and Ramirez & Co as the co-senior underwriter. Morgan Stanley walked the Board through a very high-level summary of where we are at this point and where we intend to go with a target to try to get the financing done by the end of May. Mr. Pattison and Mr. Proulx then began the presentation.

Mr. Proulx began his presentation outlining the nature of the transaction. He stated there are currently three series of direct placements that are outstanding that tender on November 1, 2019 and the refinancing of these direct placements are the drivers of the financing being executed in the May timeframe. He expressed his pleasure to be working in that part of the deal, but more importantly very excited to be working on the new money portion of the financing which a lot of it is going to be involved with the resiliency plans and to finance both the development plans and the execution. He then turned it over to Mr. Pattison to talk about the efforts that will be made to market the bonds.

Mr. Pattison explained that the transaction will be approximately \$200 million in fixed rate bonds, and the plan is to issue them on the senior lien and then there'll be \$486 million of variable rate bonds on the junior lien. To date the Authority has \$342 million of LIBOR interest rate swaps and with the variable rate bonds we'll hedge against those swaps and the remaining are currently unhedged. We're working with the Authority right now and the rest of the working group on the variable rate products to use given that they're all currently direct placements. And we're also looking at the senior and junior reserve funds to see if those can be reduced or eliminated and go towards the transaction to downsize it or to pay for some of the costs.

He then discussed that the series 2019 bonds will be rated and the plan is to go to Fitch and Moody's who have rated the Authority's bonds in the past and those talks are on the way. He showed the Members what the existing debt structure looks like today, and with just a little more than a third of

fixed rate bonds, just over a third of floating rate bonds that's hedged with those swaps and then 26% unhedged floating. The plan is to increase the amount of fixed rate debt just given where the interest rate markets are today. So over half of the Authority's portfolio would be fixed rate. About a third will be hedged with the LIBOR swaps and 14% of the debt would be unhedged and then floating.

Mr. Proulx discussed the social and sustainability bonds market and how it has grown over the last 5-10 years, with significant growth in Europe and it has taken off incredibly well in the United States. It focuses investors on ESG investments, so environment, social and governance. Here in Battery Park City because of the nature of the funding and much of the funding being associated with the resiliency program and associated repairs and upgrades for the resiliency program, we feel that there's an excellent rationale to put forward to the market a sustainability bonds designated series. The Authority's evaluating it right now to make sure that it's within their standards and what we want to do along with the financial advisor, underwriters counsel and bond counsel. We will put a write-up in the official statement and talk about what the plans are, how we've decided to put the projects into that series and then market it. We would use a series of different types of marketing techniques to reach the broadest amount of investors out there, but all driven after the investing with impact type investors. And what we see on the retail side is that those investors tend to be much larger so you see larger orders that come in and they're from high net worth families that are very much interested in investing in socially beneficial and environmentally beneficial programs. So your resiliency plan here in Battery Park City we think fits squarely within that definition, and should create a lot of good buzz and some positive results for the sale.

Ms. Frederick added that of the \$204 million capital plan we're doing the new funding of \$100 million so that leaves \$104 million. Most of that is earmarked for resiliency and the expectation is that in addition to this current resiliency sustainability bond we would be looking for the subsequent one to have a designation as well.

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The next item on the agenda, presented by Mr. Tsunis, was the appointment of the Vice Chair.

Mr. Tsunis said he was proud to offer a resolution of the appointment of a Vice Chair, Martha Gallo of Battery Park City Authority. He thanked Don Capoccia for doing this for so many years. He then stated he has met very, very few people with the combination of intelligence, integrity and work ethic of Martha Gallo and said it is an absolute privilege to call Ms. Gallo a colleague.

Upon a motion made by Mr. Bevilacqua and seconded by Ms. McVay Hughes, the following resolution was unanimously adopted:

APPOINTMENT OF VICE CHAIR OF THE BATTERY PARK CITY AUTHORITY (THE "AUTHORITY")

BE IT RESOLVED, that pursuant to Article II Section 4 of the Authority's By-laws, the following officer is hereby appointed to the office indicated next to her name to serve until her successor shall be duly elected, unless she resigns, is removed from office or is otherwise disqualified from serving as an officer of the Authority, and that she shall take office immediately upon such appointment:

Vice Chair.....Martha Gallo;

and be it further

RESOLVED THAT Martha Gallo shall and she is hereby authorized to do all the acts, deeds and things which are necessary, desirable, appropriate and attendant to performing the duties for the aforesaid appointment; and be it further

RESOLVED THAT any actions taken as may be necessary, desirable or appropriate, in connection with the duties contemplated in the foregoing resolutions, and any further actions taken prior to the date hereof are hereby ratified, confirmed and approved.

This resolution shall take effect immediately and shall be filed in the Authority's official corporate records.

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The next item on the agenda, presented by Ms. Dawson, was an authorization to enter into a contract with McLaren Engineering Group for the Phase 6 Pile Remediation project.

Ms. Dawson reminded the Members that the Authority has a multi-year program that is intended to care for and upgrade the concrete piles on which the esplanade and the relating platform of Battery Park City rests. She explained we have 3,100 concrete piles and back in 2007 we entered into a multi-year program to annually maintain, upgrade and jacket those piles to protect them so that we can extend their lives and keep the structural integrity of Battery Park City in place. This year we are looking to perform Phase 6 of the multi-year program. She noted that thus far 1,659 of the 3,100 piles have been jacketed and looking to do another 561 this year. The work can only be performed between May and October because of DEC regulations that impose a moratorium on in-water work between November and May of each year. The approval today is for the contract for the construction management firm for this project. After an initial evaluation through the evaluation committee according to specified criteria, the 4 highest scoring of the submitted proposals were interviewed. Based on consideration of the proposals and also the consideration of their performance at their interviews, the evaluation committee has evaluated McLaren Engineering as the highest rated of the proposing firms and having the benefit of being the lowest cost.

Upon a motion made by Mr. Capoccia and seconded by Ms. Gallo, the following resolution was unanimously adopted:

AUTHORIZATION TO EXECUTE A CONTRACT WITH MCLAREN ENGINEERING GROUP FOR THE PHASE 6 PILE REMEDIATION - CONSTRUCTION MANAGEMENT & DIVING INSPECTION SERVICES PROJECT

BE IT RESOLVED, that in accordance with the materials submitted at this Board meeting, the President and Chief Executive Officer (the "President") of the Battery Park City Authority or his/her designee(s) be, and each of them hereby is, authorized and empowered to enter into a thirteen (13) month contract (the "Contract") with McLaren Engineering Group for the Phase 6 Pile Remediation - Construction Management & Diving Inspection Services Project in the not-to-exceed amount of \$537,318.84; and be it further

RESOLVED, that the President or his/her designee(s), and each of them hereby is, authorized and empowered to execute and deliver the Contract on behalf of the Authority, subject to such changes as

the officer or officers executing the Contract shall, with the advice of counsel, approve as necessary and appropriate and in the best interest of the Authority, such approval to be conclusive evidence by the execution and delivery of the Contract; and be it further

RESOLVED, that the President or his/her designee(s) be, and each of them hereby is, authorized and empowered to execute all such other and further documents, and to take all such other and further actions as may be necessary, desirable or appropriate, in connection with the transactions contemplated in the foregoing resolutions, and any such execution of documents and any other and further actions heretofore taken are hereby ratified, and any actions hereafter taken are confirmed and approved.

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The next item on the agenda, presented by Mr. Munson, was an approval of Disposition Guidelines for Personal and Real Property.

Mr. Munson explained that each year public Authorities are required to submit to the State Authority Fund Office their disposition guidelines for personal and real property. He presented an updated version of the guidelines with two proposed changes. One of those changes is just a drafting error, and the other consolidates the responsibility of maintaining adherence to the guidelines as well as reporting to the State from three personnel to one, that one being Mr. Munson. Also, he mentioned he wanted to take an opportunity to briefly recognize a project that was undertaken by the Parks Operations Team last year. Under Bruno Pomponio's leadership, the team rolled out a web based inventory and tracking system called Manager's Plus to which the Parks Operation Team has catalogued all of our equipment and fixtures and now can more efficiently track and maintain them throughout their useful life.

Upon a motion made by Mr. Kendall and seconded by Ms. McVay Hughes, the following resolution was unanimously adopted:

APPROVAL OF GUIDELINES FOR THE DISPOSITION OF PERSONAL AND REAL PROPERTY

BE IT RESOLVED, that the Guidelines for the Disposition of Personal and Real Property Owned by the Authority (the "Guidelines") as presented to this meeting, be, and hereby are approved; and be it further

RESOLVED, that the Contracting Officer shall file the Guidelines on or before the thirty-first of March 2019 with the New York State Comptroller; and be it further

RESOLVED, that the Guidelines be posted on the Authority's internet website; and be it further

RESOLVED; that the Assistant Corporate Secretary of the Authority be, and hereby is, directed to file the Guidelines with the minutes of this meeting.

* * *

Mr. Petracca made a motion to enter Executive Session, which was seconded by Mr. Bevilacqua, to discuss the negotiations related to the lease of real property, the publicity of which

could substantially affect the value of the relevant properties. The Members entered Executive Session at 2:35 p.m.

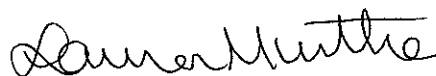
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Upon a motion made by Mr. Petracca and seconded by Mr. Kendall. The Members exited Executive Session at 4:51 p.m.

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There being no further business, upon a motion made by Mr. Petracca and seconded by Ms. McVay Hughes, the Members unanimously voted to adjourn the meeting. The meeting thereupon adjourned at 4:51 p.m.

Respectfully submitted,



Lauren Murtha
Assistant Corporate Secretary



**Battery Park
City Authority**

**Guidelines and Procedures for the Disposal of Personal and Real
Property**

Last updated 2/17/19

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GUIDELINES AND PROCEDURES FOR THE DISPOSAL OF PERSONAL AND REAL PROPERTY

I. PURPOSE

These Guidelines and Procedures for the Disposal of Personal and Real Property (hereinafter "Guidelines"), which comply with the applicable provisions of Title 5-A, Article 9 of the Public Authorities Law, establish the procedures which detail the Authority's policy and instructions regarding the disposal of personal and real property. In addition, the Guidelines designate a Contracting Officer who shall be responsible for the Authority's compliance with, and enforcement of, the Guidelines.

II. DEFINITIONS (§ 2895)

- A. "Contracting Officer" shall mean the Chief Operating Officer of the Authority, as appointed by resolution of the Authority's Board Members ("Members") to be responsible for the disposition of property.
- B. "Dispose" or "disposal" shall mean transfer of title or any other beneficial interest in personal or real property in accordance with these Guidelines.
- C. "Property" shall mean personal property in excess of \$5,000 in value, real property, and any inchoate or other interest in such property, to the extent that such interest may be conveyed to another person for any purpose, excluding an interest securing a loan or other financial obligation of another party.

III. DISPOSITION OF PROPERTY (§ 2897)

- A. The Authority has entered into an agreement with the New York State Office of General Services "OGS" for OGS to dispose of all Authority-owned personal property, including but not limited to use of on-line disposal methods by OGS.
- B. In addition, in accordance with New York State law, surplus computers and accessories (monitors and keyboards) and surplus office furniture and other equipment may, with the approval of the Contracting Officer, be transferred to OGS for disposition, and in the case of computers and accessories to the New York City school district.
- C. Except as set forth in Section III.I. below, the Authority may dispose of real property for not less than the fair market value of such property by

sale, exchange, or transfer, for cash, credit or other property, without warranty, and upon such other terms and conditions as the Contracting Officer deems proper and it may execute such documents for the transfer of title or other interest in property and take such other action as it deems necessary or proper to dispose of such property under the provisions of Section 2897 of Title 5-A. Provided, however, that no disposition of real property or any interest in real property shall be made unless an appraisal of the value of such property has been made by an independent appraiser and included in the record of the transaction, and provided further that no disposition of any other property, which because of its unique nature or the unique circumstances of the proposed transaction is not readily valued by reference to an active market for similar property, shall be made without a similar appraisal.

D. All disposals or contracts for disposal of real property of the Authority shall be made after publicly advertising for bids, except as provided in Section III.F of these Guidelines.

E. Whenever public advertising for bids is required under Section III.D:

- i. the advertisement for bids shall be made at such time prior to the disposal or contract, through such methods, and on such terms and conditions as shall permit full and free competition consistent with the value and nature of the property;
- ii. all bids shall be publicly disclosed at the time and place stated in the advertisement; and
- iii. the award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the state, price and other factors considered; provided, that all bids may be rejected when it is in the public interest to do so.

F. Disposals and contracts for disposal of property of the Authority may be negotiated or made by public auction without regard to Sections III.D and E above but subject to obtaining such competition as is feasible under the circumstances if:

- i. the fair market value of the property does not exceed fifteen thousand dollars;
- ii. the personal property involved has qualities separate from the utilitarian purpose of such property, such as artistic

quality, antiquity, historical significance, rarity, or other quality of similar effect, that would tend to increase its value, or if the personal property is to be sold in such quantity that, if it were disposed of under Sections III.D and E above, would adversely affect the state or local market for such property, and the estimated fair market value of such property and other satisfactory terms of disposal can be obtained by negotiation;

- iii. bid prices after advertising therefore are not reasonable, either as to all or some part of the property, or have not been independently arrived at in open competition;
- iv. the disposal will be to the state or any political subdivision, and the estimated fair market value of the property and other satisfactory terms of disposal are obtained by negotiation;
- v. such action is otherwise authorized by law; or
- vi. under those circumstances permitted by Section III.I. below.

G. An explanatory statement shall be prepared of the circumstances of each disposal by negotiation of:

- i. any real property that has an estimated fair market value in excess of one hundred thousand dollars, except that any real property disposed of by lease or exchange shall only be subject to clauses ii. through iii. of this paragraph;
- ii. any real property disposed of by lease, if the estimated annual rent over the term of the lease is in excess of fifteen thousand dollars;
- iii. any real property or real and related personal property disposed of by exchange, regardless of value, or any property any part of the consideration for which is real property; or
- iv. any personal property which has an estimated fair market value in excess of fifteen thousand dollars.

H. Each such explanatory statement referenced in Section III.G. above shall be transmitted to the persons entitled to receive copies of the report required under Section IV.B. hereof not less than ninety days in advance of such disposal and a copy thereof shall be preserved in the files of the

Authority.

- I. Property Disposal for Less than Fair Market Value
 - i. No asset owned, leased or otherwise in the control of the Authority may be sold, leased, or otherwise alienated for less than its fair market value except if:
 - a. the transferee is a government or other public entity, and the terms and conditions of the transfer require that the ownership and use of the asset will remain with the government or any other public entity;
 - b. the purpose of the transfer is within the purpose, mission or governing statute of the Authority; or
 - c. in the event the Authority seeks to transfer an asset for less than its fair market value other than through a. or b. above, the Authority shall provide written notification thereof to the Governor, the Speaker of the Assembly, and the temporary President of the Senate, and such proposed transfer shall be subject to denial by the Governor, the senate, or the assembly. Denial by the Governor shall take the form of a signed certification by the Governor. Denial by either house of the Legislature shall take the form of a resolution by such house. The Governor and each house of the Legislature shall take any such action within sixty days of receiving notification of such proposed transfer during the months of January through June, provided that if the Legislature receives notification of a proposed transfer during the months of July through December, the Legislature may take any such action within sixty days of January first of the following year. If no such resolution or certification is performed within sixty days of such notification of the proposed transfer to the Governor, Senate, and Assembly, the Authority may effectuate such transfer.
 - ii. In the event a below fair market value asset transfer is proposed, the following information must be provided to the Members and the public:
 - a. a full description of the asset;
 - b. an appraisal of the fair market value of the asset and any other information establishing the fair market value sought by the Members;

- c. a description of the purpose of the transfer, and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including but not limited to the kind, number, location, wages or salaries of jobs created or preserved as required by the transfer, the benefits, if any, to the communities in which the asset is situated as are required by the transfer;
 - d. a statement of the value to be received compared to the fair market value;
 - e. the names of any private parties participating in the transfer and if different than the statement required by subparagraph d. of this paragraph, a statement of the value to the private party; and
 - f. the names of other private parties who have made an offer for such asset, the value offered, and the purpose for which the asset was sought to be used.
- iii. Before approving the disposal of any property for less than fair market value, the Members shall consider the information described in paragraph ii. above and make a written determination that there is no reasonable alternative to the proposed below-market transfer that would achieve the same purpose of such transfer.
- G. A deed, bill of sale, lease, or other instrument executed by or on behalf of the Authority, purporting to transfer title or any other interest in property of the Authority under the Guidelines shall be conclusive evidence of compliance herewith insofar as concerns title or other interest of any bona fide grantee or transferee who has given valuable consideration for such title or other interest and has not received actual or constructive notice of lack of such compliance prior to the closing.

IV. REPORTING REQUIREMENTS (§ 2896)

- A. The Authority shall publish, not less frequently than annually, a report of all real property of the Authority. Such report shall consist of a list and full description of all real and personal property disposed of during such period. The report shall contain the price received by the Authority and the name of the purchaser for all such property sold by the Authority during such period.
- B. Such report shall be submitted to the Comptroller, the Director of the

Budget, the Commissioner of General Services, the Legislature, and the Authorities Budget Office.

- C. These Guidelines, as approved by the Members, shall be reviewed and approved annually by the Authority's Board. On or before the thirty-first day of March in each year, the Authority shall file with the Comptroller a copy of the Guidelines most recently reviewed and approved by the Members, including the name of the Authority's designated Contracting Officer. At the time of filing such Guidelines with the Comptroller, the Authority shall also post such Guidelines on the Authority's internet website and maintain such Guidelines on the website.
 - a. The Authority shall maintain adequate inventory controls and accountability systems for all personal and real property under the Authority's control.
 - i. The Authority shall periodically inventory such property to determine which property shall be disposed of.
 - ii. The Authority shall dispose of Authority personal and real property interests in accordance with the Guidelines.
 - iii. The Contracting Officer shall prepare annual reports of personal and real property disposal transactions.

V. EFFECTIVE DATE

- A. These Guidelines shall take effect on and apply to contracts entered into after the date of approval by the Members, except as otherwise provided by law.